

Estate of Gerald R. Thew, Deceased
Form: 706

AP:FE:A2:BUF:JPR
TIN: 132-30-1205V

<p align="center">Explanation of Adjustments Date of Death: August 7, 1999</p>
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SCHEDULE E: ALL OTHER JOINT INTERESTS**RETURNED****DETERMINED**

Item 1 (Added)

\$0.00

\$135,000.00

Increase to Taxable Estate: \$135,500.00

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Item 1 (Added): The \$135,000.00 fair market alternate value of a parcel of joint real estate recorded at Dutchess County Clerk Liber 1800, page 99 of deeds, is includible in the decedent's estate. This parcel was not reported on the estate tax return. Therefore, the reported taxable estate is increased by \$135,000.00

SCHEDULE F: OTHER MISCELLANEOUS PROPERTY**RETURNED****DETERMINED**

Item 1

\$741,070.00

\$738,193.00

Item 2 (Added)

\$0.00

\$241,342.00

Increase to Taxable Estate: \$238,465.00

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Item 1: The fair market alternate value of securities reported at Form 706, Schedule F, Items 1 through 22, has been decreased from \$741,070.00 to \$738,193.00. Accordingly, the taxable estate has been decreased by \$2,877.00.

Item 2 (Added): The \$241,342.00 date of death value of the federal refund due at death for the decedent's 1999 personal income tax return, is includible in his gross estate. This asset was not reported on the estate tax return. Accordingly, the taxable estate is increased by \$241,342.00

SCHEDULE G: TRANSFERS DURING DECEDENT'S LIFE**RETURNED****DETERMINED**

Item B-1

\$30,000.00

\$295,000.00

Item B-2 (Added)

\$0.00

\$400,499.00

Increase to Taxable Estate: \$665,499.00

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Item B-1: The fair market alternate value of property reported at item B-1 of the estate tax return has been increased from \$30,000.00 to \$295,000.00. Accordingly, the taxable estate is increased by \$265,000.00.

Item B-2 (Added): The \$400,499.00 fair market alternate value of the assets in the Thew Family Trust UA dated 4/01/1994 is includible in the decedent's estate under Section 2036 of the Internal Revenue Code. Accordingly, the taxable estate is increased by \$400,499.00

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ADJUSTED TAXABLE GIFTS

<u>RETURNED</u>	<u>DETERMINED</u>
\$901,675.00	\$10,616,557.00

Increase to Taxable Estate: \$9,714,882.00
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The adjusted taxable gifts to be included as part of the computation of estate tax has been increased from the \$901,675.00 reported Form 706 value to \$10,616,557.00. Accordingly, the adjusted taxable gifts have been increased by \$9,714,882.00. This increase results from the inclusion of the following taxable Form 709 gifts by the decedent:

1995: \$4,346,901.00
1996: \$1,789,327.00
1997: \$1,789,327.00
1998: \$1,789,327.00

AGGREGATE GIFT TAX

The aggregate gift tax to be included as part of the computation of estate tax has been increased from the \$114,653.00 reported Form 706 value to \$5,308,684.00. Accordingly, the adjusted taxable gifts have been increased by \$5,194,031.00. This increase was computed by adding the following proposed gift tax for Form 709 returns that were not filed for the decedent-donor or his estate:

1995 Form 709:	\$2,220,064.00
1996 Form 709:	\$984,130.00
1997 Form 709:	\$984,130.00
1998 Form 709	\$1,005,707.00
Total	\$5,194,031.00 *

* The \$5,194,031.00 proposed increase in 1995-1998 gift tax plus the \$114,653.00 aggregate gift tax reported on the estate tax return equals \$5,308,684.00. The IRS will forward reports for the delinquent 1995-1998 gift tax returns to the estate representatives under separate cover. These reports will include a computation of 1995-1998 gift tax, interest and applicable penalties.

